

**SAMPLE ADDITIONAL TERMS FOR
POLITICAL SUBDIVISION PARTICIPATION AGREEMENT**

These additional terms are attached to the Political Subdivision Participation Agreement for Merchant Card Processing Services (“PSPA”) and, as between Participant and Servicer, are additional terms and conditions under which the Provider will provide Subscribed Services to Participant.

1. Section 3.2 of the Master Services Agreement is amended to add the following text:

CUSTOMER will provide PROVIDER with written notice of CUSTOMER’s intent to liquidate, substantially change the basic nature of its business, transfer or sell any substantial part (25% or more in value) of its total assets, or if CUSTOMER or its parent is not a corporation whose shares are listed on a national securities exchange or on the over- the-counter market, change the control or ownership of CUSTOMER or its parent, thirty (30) days prior to such liquidation, change, transfer or sale taking place. CUSTOMER will also notify PROVIDER of any judgment, writ, warrant of attachment, execution or levy against any substantial part (25% or more in value) of CUSTOMER’s total assets not later than three days after CUSTOMER obtains knowledge of any such judgment, writ, warrant of attachment, execution or levy.

2. Section 18.2 of the Bankcard Addendum is amended by adding the following sentence to the end of that section:

Upon a bankruptcy, insolvency or failure of CUSTOMER’s business all Card transactions information must be returned to SERVICERS or acceptable proof of the destruction of all Card transaction information must be provided to SERVICERS.

3. Section 21.3 of the Bankcard Addendum is amended to delete the word “Reserved” from these numbered subsections and to substitute the following text:

21.3.1. (a) a material adverse change in the financial condition of CUSTOMER, or (b) a material adverse change in CUSTOMER’s business procedures or procedures regarding Card acceptance, or (c) a material adverse change in the products or services sold by CUSTOMER; or

21.3.2. any assignment or transfer of voting control of CUSTOMER or its parent;
or

21.3.3. a sale of all or a substantial portion of CUSTOMER’s assets; or

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21.3.9. CUSTOMER shall: commence a voluntary case under the Bankruptcy Code; file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or entry into a composition agreement or similar arrangement for adjustment of debts; consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws; apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; generally become unable to pay its debts or trade obligations as they become due; make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or

21.3.10. a case or other proceeding shall be commenced against CUSTOMER, in any court of competent jurisdiction seeking relief under the Bankruptcy Code or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, the appointment of a trustee, receiver, custodian, liquidator or the like of CUSTOMER, or of all or any substantial part of the assets, domestic or foreign, of CUSTOMER, and such case or proceeding shall continue undismissed or unstayed for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding against CUSTOMER (including, but not limited to, an order for relief under the Bankruptcy Code) shall be entered; or any assignment or transfer of voting control of CUSTOMER or its parent; or

4. Section 22 of the Bankcard Addendum is amended to delete the word “Reserved” from these numbered subsections and to substitute the following text::

22.1 CUSTOMER expressly authorizes SERVICERS to establish a Reserve Account pursuant to the terms and conditions set forth in this Section 22. The amount of such Reserve Account shall be set by SERVICERS, in their sole discretion, based upon CUSTOMER processing history and the anticipated risk of loss to SERVICERS.

22.2 The Reserve Account shall be fully funded upon three days notice to CUSTOMER, or in instances of fraud or an Event of Default, reserve account funding may be immediate. Such Reserve Account may be funded by all or any combination of the following: (i) one or more debits to CUSTOMER’s Settlement Account or any other accounts held by BANK or any of its Affiliates; (ii) one or more deductions or off sets to any payments otherwise due to CUSTOMER; (iii) CUSTOMER’s delivery to SERVICERS of a letter of credit; or (iv) if SERVICERS so agree, CUSTOMER’s pledge to SERVICERS of a freely transferable and negotiable certificate of deposit. Any such letter of credit or certificate of deposit shall be issued or established by a financial institution acceptable to SERVICERS and shall be in a form satisfactory to SERVICERS. In the event of termination of this Bankcard Addendum by either CUSTOMER or SERVICERS, an immediate Reserve Account may be established without notice

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in the manner provided above. Any Reserve Account will be held by BANK for the greater of ten months after termination of this Bankcard Addendum or for such longer period of time as is consistent with BANK's liability for Card transactions in accordance with Card Organization Rules. CUSTOMER's funds held in a reserve account may be held in a commingled Reserve Account for the reserve funds of BANK's customers, without involvement by an independent escrow agent.

22.3 If CUSTOMER's funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other charges due from CUSTOMER, or if the funds in the Reserve Account have been released, CUSTOMER agrees to promptly pay SERVICERS such sums upon request. In the event of a failure by CUSTOMER to fund the Reserve Account, SERVICERS may fund such Reserve Account in the manner set forth in subsection 22.2, above.

22.4 To secure CUSTOMER's obligations to SERVICERS and their affiliates under this Bankcard Addendum and any other agreement for the provision of related equipment or related services, CUSTOMER grants to SERVICERS a first priority lien and security interest in and to any of CUSTOMER's funds pertaining to the Card transactions contemplated by this Bankcard Addendum now or hereafter in the possession of SERVICERS, whether now or hereafter due or to become due to CUSTOMER from SERVICERS. Any such funds, money or amounts may be commingled with other funds of SERVICERS, or, in the case of any funds held pursuant to the foregoing paragraphs, with any other funds of other customers of SERVICERS. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, SERVICERS are hereby authorized by CUSTOMER at any time and from time to time, without notice or demand to CUSTOMER or to any other person (any such notice and demand being hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of CUSTOMER's obligations to SERVICERS and their affiliates under this Bankcard Addendum and any other agreement with SERVICERS or any of SERVICERS' affiliates for any related equipment or related services (including any check guarantee and check verification services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured. CUSTOMER agrees to duly execute and deliver to SERVICERS such instruments and documents as SERVICERS may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Bankcard Addendum. Upon request by CUSTOMER, SERVICERS shall provide an accounting in reasonable detail of all amounts set off or recouped pursuant to this Paragraph and the CUSTOMER obligations toward which such amounts were appropriated or applied.

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The parties hereto have caused this Agency Participation Agreement to be executed by their duly authorized officers. **THIS AGREEMENT IS NOT BINDING UPON SERVICER UNTIL SIGNED BY ALL PARTIES.**

SUNTRUST MERCHANT SERVICES,
LLC

SUNTRUST BANK

By: _____
(authorized signature)

(printed name of person signing above)

Its: _____
(title of person signing above)

Date: _____

By: _____
(authorized signature)

(printed name of person signing above)

Its: _____
(title of person signing above)

Date: _____

PARTICIPANT

By: _____
(authorized signature)

(printed name of person signing above)

Its: _____
(title of person signing above)

Date: _____

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